



UK Sustainable Investment
and Finance Association

PRESS RELEASE

UKSIF WELCOMES MPs' CALL FOR JOINED-UP APPROACH TO PENSION REGULATION

*Select Committee's recommendations echo UKSIF's evidence to the inquiry
but trade body urges a greater long-term investment focus*

London, 25 April 2013 – The UK Sustainable Investment and Finance Association (UKSIF) welcomed today's call from the Work and Pensions Select Committee for a more 'joined-up' approach to pension scheme regulation and governance in their report "Improving Governance and Best Practice in Workplace Pensions". However, UKSIF was disappointed that the Committee did not highlight the need for long-term responsible investment and stewardship to ensure good member outcomes.

Caroline Escott, UKSIF Head of Government Relations, said:

"In our evidence to the Committee, we called for a more 'joined up' approach to pension scheme regulation. We are pleased that the Committee's recommendations recognise the problems of today's fragmented approach.

However, we would have liked to see a clear recognition of the need for long-term responsible investment and asset ownership to ensure good member outcomes. The Kay Review and the UK Stewardship Code are recent high profile initiatives that highlight the importance of responsible investment and ownership. It is disappointing that the Committee's report makes no reference to them despite the importance of protecting the value of pension fund assets both to achieve good member outcomes and to maintain society's trust in pension funds. We hope that both the Committee and the Government will consider this further in the future."

Contact

Caroline Escott, Head of Government Relations: 020 7749 9950 or caroline.escott@uksif.org.

Notes to Editors

Interviews with Caroline Escott are available on request.

UKSIF's written evidence to the Work and Pensions Committee Inquiry into Governance and Best Practice in Workplace Pension Provision, submitted 20 April 2012, is available via the UKSIF website [here](#). UKSIF's supplementary written evidence to the inquiry, submitted 19 November 2012, is available [here](#).

About UK Sustainable Investment and Finance Association (UKSIF)

The UK Sustainable Investment and Finance Association (UKSIF) supports the UK finance sector to be a global leader in advancing sustainable development through financial services. We promote and support responsible investment and other forms of finance that advance sustainable economic development, enhance quality of life and safeguard the environment. Founded in 1991, UKSIF has over 250 members including pension funds, asset managers, research providers, financial advisers, banks and non-governmental organisations. For more information, please visit www.uksif.org.

About the Work and Pensions Committee Inquiry into Governance and Best Practice in Workplace Pension Provision

The Committee's inquiry has looked at issues including transparency of charges and costs; communication between pension schemes and members; how small pension pots should be managed; assistance for scheme members in making investment decisions and assessing risks, including when converting to annuities; whether greater economies of scale are possible within the sector; the appropriate balance between regulation, self-regulation and good governance; the implications of the changing balance between Defined Benefit (DB) and DC schemes and their future prospects. More information, and the report, "[Improving Governance and Best Practice in Workplace Pensions](#)" is available [here](#).

About the Kay Review of Equity Markets and Long-Term Decision Making

The '[Kay Review of Equity Markets and Long-Term Decision Making](#)' was led by Professor John Kay and commissioned by the Department for Business, Innovation and Skills. It was tasked with examining the performance of UK equity markets and its final report – published in July 2012 - recommended a number of measures including regulatory support for fiduciary standards, more effective reporting and enhancements to the UK Stewardship Code.

About the UK Stewardship Code

The [UK Stewardship Code](#) was first published by the Financial Reporting Council in July 2010 and aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. The Code was revised in September 2012 and came into effect on 1 October 2012. The Stewardship Code is run on a 'comply or explain' basis, and costs nothing to sign up to.